

DEPARTMENT OF DEFENSE



BUSINESS INITIATIVE COUNCIL (BIC)

10 JAN 2003

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
DEPARTMENT OF DEFENSE GENERAL COUNSEL
DEPARTMENT OF DEFENSE INSPECTOR GENERAL
DIRECTOR OF OPERATIONAL TEST AND EVALUATION
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Business Initiative Council's (BIC) Approval of Initiatives

The BIC Executive Steering Committee and Executive Directors briefed members of the BIC on December 13, 2002 and requested approval for the seventh set of initiatives. At the conclusion of the meeting, the BIC approved five new initiatives, all of which are summarized in the attachment to this memorandum. The BIC champions for these five initiatives are hereby authorized to develop and launch their implementation plans. While undertaking these efforts, they carry my authority, on behalf of the Senior Executive Council, which is chaired by the Secretary of Defense. I, therefore, expect the full support and cooperation of all staffs across the Department.

Approval of this seventh set of initiatives continues the phased effort by the BIC to identify and implement ideas that improve the way we conduct our business. The BIC will continue to work collaboratively and continuously to bring good ideas forward for consideration. Improving the Department's business operations ultimately takes the combined efforts of leadership and the participation and support of our total workforce.

E. C. "PETE" ALDRIDGE, JR.
Chairman

Attachment:
As stated

BUSINESS INITIATIVE COUNCIL

Chairman: Under Secretary of Defense for Acquisition, Technology & Logistics: The Honorable Edward C. Aldridge, Jr.
Secretary of the Navy: The Honorable Gordon R. England
Secretary of the Air Force: The Honorable Dr. James G. Roche
Secretary of the Army: The Honorable Thomas E. White
Vice Chairman of the Joint Chiefs of Staff: General Peter Pace
Under Secretary of Defense (Comptroller) and Chief Financial Officer: The Honorable Dov S. Zakheim
Under Secretary of Defense (Personnel & Readiness): The Honorable Dr. David S. Chu

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ATTACHMENT

SUMMARY OF APPROVED INITIATIVES (RESULTS OF BIC MEETING 13 DECEMBER 2002)

Acquisition Management Processes:

Title: Share in Savings

Description of Initiative: Form an IPT to gather lessons-learned from successful Share-in-Savings projects, develop basic concepts of operations, and work with Congress to finalize implementing legislation and develop pilot projects.

Required Policy Changes/Approach: Legislative authority to proceed with five pilot projects for IT provided by the recent E-Gov Act. IPT to work with GSA to identify pilots. Further policy changes or Congressional action required to ensure Agencies to have full benefit. Also, IPT needs to work with OMB/OSD to help develop regulatory revisions; and c) Military Services to identify potential opportunities.

Responsible DoD Champion: Navy

Installation & Logistics Processes:

Title: DoD Commercial Lodging Management

Description of Initiative: Provide parity between civilian and military travelers by changing the JTR (civilian travel) to mirror reimbursement provisions as stated in JFTR (military travel). Leverage best business practices to obtain volume discounts on commercial lodging through development of a joint service IPT to improve availability of quality, commercial lodging to Government Travelers while minimizing cost to Services.

Required Policy Changes/Approach: No Congressional action required. Policy changes may include the following: a) Change JTR (Civilian Travel) to mirror reimbursement provisions in JFTR (Military Travel); b) Change JFTR/JTR to specifically include contracted lodging in definition of Government quarters and contracted lodging locations in Government quarters availability, and; c) Review required update to DoD 4165.63-M, Para. C5.1.3.4.2. (DOD Proponent for JFTR/JTR and policy).

Responsible DoD Champion: Army

Manpower & Personnel Processes:

Title: Military Air Traffic Control (ATC)

Description of Initiative: Establish a subgroup of the DoD Policy Board on Federal Aviation (PBFA) to assess military ATC to include required skills, functional efficiency and doctrine in order to provide

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combatant commanders with a viable ATC capability. Determine required expertise for contingency/wartime ATC. Evaluate/select National Airspace System (NAS) components that provide needed training/currency for military air traffic controllers (i.e., en route control). Determine military ATC facilities for potential transfer or outsourcing. Develop current, cohesive doctrine and structure for military ATC that emphasizes individual Service strengths. Utilize Reserve components and outsource resources to streamline/supplement force structure. Implement study/trial program.

Required Policy Changes/Approach: Full support from DoD and DOT/FAA, as well as inter-Service interest in proposal. Details, such as benefits/risks, to be coordinated among Services. May require Congressional action. Approach includes: a) DoD Policy Board on Federal Aviation (PBFA) will appoint subgroup/advisory board for doctrine and subsequent force structure, equipage studies; b) Introduce plan to FAA and invite their participation on advisory board; and c) Establish milestones and review periodically.

Responsible DoD Champion: Air Force

Resource Management Processes:

Title: Fund Travel in Current Year

Description of Initiative: Change fiscal rules to permit full cost of travel to be charged to the appropriation current when the trip began in order to simplifying accounting and administrative procedures.

Required Policy Changes/Approach: Draft necessary legislative language. Change OMB implementing document, OMB Circular A-11. Change OSD implementing document, FMR, Volume 3, Chapter 8.

Responsible DoD Champion: Army

Title: Scoring Criteria for Capital Leasing

Description of Initiative: Revise OMB scoring rules, on capital leases (e.g., lease to own), so that budget authority and outlays are scored when the lease payments are made. At least one weapons system or type of equipment will be selected as a pilot.

Required Policy Changes/Approach: Changes may be required to OMB Circular A-11 and A-94. Legislative change will be required to eliminate requirement to reserve termination costs. The proposed approach to this initiative is to establish clear objectives and metrics for pilot project and evaluate pilot project against objective and metrics, then adjust approach based on lessons learned.

Responsible DoD Champion: Army

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